Investment in R&D is important because it spurs innovation and economic growth: Information technology was responsible for more than one-third of real economic growth in the late 1990s.

Information technology industries account for more than $500 billion of the annual U.S. economy. R&D is widely seen as a cornerstone of technological innovations, which in turn serves as a primary engine of long-term economic growth.

This tax credit will result in higher wages. Findings from a study conducted by Coopers & Lybrand show that workers in every State will benefit from higher wages if the research credit is made permanent.

Payroll increases as a result of gains in productivity stemming from the credit have been estimated to exceed $60 billion over the next 12 years.

Furthermore, greater productivity from additional research and development will increase overall economic growth in every State in the Union. Research and development is essential for long-term economic growth.

The tax credit is cost-effective: The R&D tax credit appears to be a cost-effective policy instrument for increasing business R&D investment. Some recent studies suggest that one dollar of the credit's revenue cost leads to a one dollar increase in business R&D spending.

Bonus depreciation and the R&D tax credit are but two of many issues that interest both the hi-tech sector and this Senator.

While I am proud of the achievement with the bonus depreciation I will continue to work with hi-tech companies on the R&D tax credit and many other issues to keep our economy running strong, across this Nation and especially in my State of Oregon.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. EDWARDS). Morning business is closed.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 517, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 517) to authorize funding for the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

Pending:

Daschle/Bingaman further modified amendment No. 2917, in the nature of a substitute.

Feinstein amendment No. 2989 (to amendment No. 2917), to provide regulatory oversight over energy trading markets.

Levin amendment No. 2997 (to amendment No. 2917), to provide alternative provisions to better encourage increased use of alternative fueled and hybrid vehicles.

The PRESIDING OFFICER. Under the previous order, the time until 11:30 a.m. shall be for debate only relative to ethanol.

Who yields time?

The Senator from Nebraska.

Mr. NELSON of Nebraska. Mr. President, for the next several minutes, I will speak about the renewable fuel standard as part of the energy bill. For more than an hour, perhaps closer to 2 hours, my colleagues and I will be talking about the importance of the renewable fuel standard as a part of the energy bill and as a part of our national defense, as well as our economy, and for the environment.

In the early days of the automobile, Henry Ford believed at first that the best source of power for the automobile was with ethanol made from farm crops and other renewable materials. It is interesting to note, after a century of domination by oil, that we have now come perhaps full circle to recognizing there is a place for ethanol and renewable fuels as part of the fuel standard in order to power the automobiles that we continue to drive some 100 years later.

Ultimately, the power of oil interests led to policies that made oil king, with depletion allowances, foreign tax credits, and naval convoys and armies dispatched to protect oilfields around the world. Of course, the direct or indirect control of oil remains an American economic, diplomatic, political, and military priority.

While we have had, in fact, a petroleum age, it has ushered in many technological advances. The industrialized world's love affair with oil has not been without costs. Dependence on imported oil threatens our national and our energy security, our economy, our jobs, our farmers and ranchers, our industry and our environment. Public policy decisions and discussions have continued that began nearly a century ago, launching upon a path which led us to our current reliance on imported oil.

Today we have a historic opportunity to begin the process of swinging back full circle, at least to some degree, in our national energy policy. The energy policy today embodied in this bill offers us a chance to realize the potential that Henry Ford saw even then, and that his successors managing Ford, GM, and Chrysler are making possible every time they produce an E–85 automobile capable of running on 85-percent ethanol. More than 2 million of these so-called flexible fuel vehicles are on the road at this time.

Additionally, essentially all automakers in the world produce cars that run well on blends of ethanol, up to 10 percent, as well as those that will run up to 85 percent. We have the cars. Now we need the fuel. This bill provides the means in order to get it.

The Energy Policy Act of 2002 will boost biofuels and biorefinery concepts to realistically address oil import levels that have now surpassed the 56-percent mark, with ever higher levels ahead of us if we do not do something significant now to change the direction in which we have been heading.

From the perspective of a Senator from a farm State, and a former two-time chair of the Governors' Ethanol Coalition, one of the most important aspects of this landmark energy bill is the establishment of a 2-billion-gallon renewable fuel standard in 2004 that gradually grows to 5 billion gallons by 2012. Even if this approximate tripling of the ethanol industry from today's levels represents less than 4 percent of the total projected U.S. motor fuels demand over the next decade, it is a critical beginning of national importance. Enactment of this RFS, along with other provisions in this bill that emphasize new sources of energy production from renewables such as wind power, as well as conservation to further reduce our dependence upon foreign sources of energy, will help us reverse this 100-year-old reliance on fossil fuels. It will not replace them, but it will help us reduce the amount of reliance.

There is now a revolution driving American agriculture as surplus, low-value starch and oils are converted into high-value liquid fuels, with the proteins being fed locally so that American taxpayers save money. Rural communities are reinvigorated. High-value, high-quality finished products enter the export market and the Nation's energy security and environment are dramatically improved.

The Senate energy bill represents a historic step away from business as usual in U.S. energy policy. Just as we cannot export ourselves out of an agricultural crisis, we also cannot drill ourselves out of our energy crisis. With the renewable fuel standards, it will no longer be a matter of whether or not there will be a biofuels industry to augment our oil and auto industries. Rather, it will be how fast can we advance these domestic renewable fuels? How do we enhance their environmental performance, reduce their costs, and advance the technology to include the conversion of all forms of clean biomass into biofuels, biochemicals, and biopower?

I am unabashedly proud of what my home State of Nebraska has accomplished. The formation of the National Governors' Ethanol Coalition was one of the most important steps. Nebraska and several other Midwestern States created this coalition that now represents 26 States and one U.S. territory, as well as Brazil, Canada, Mexico, and Sweden.

Since its formation in 1991, the Governors' Ethanol Coalition has worked to expand national and international markets for biofuels. I might add that this Governors' Ethanol Coalition included the current and the previous Presidents of the United States when they were Governors of the State of Arkansas and the State of Texas. Within the State of Nebraska during the period of 1991 to 2001, seven ethanol